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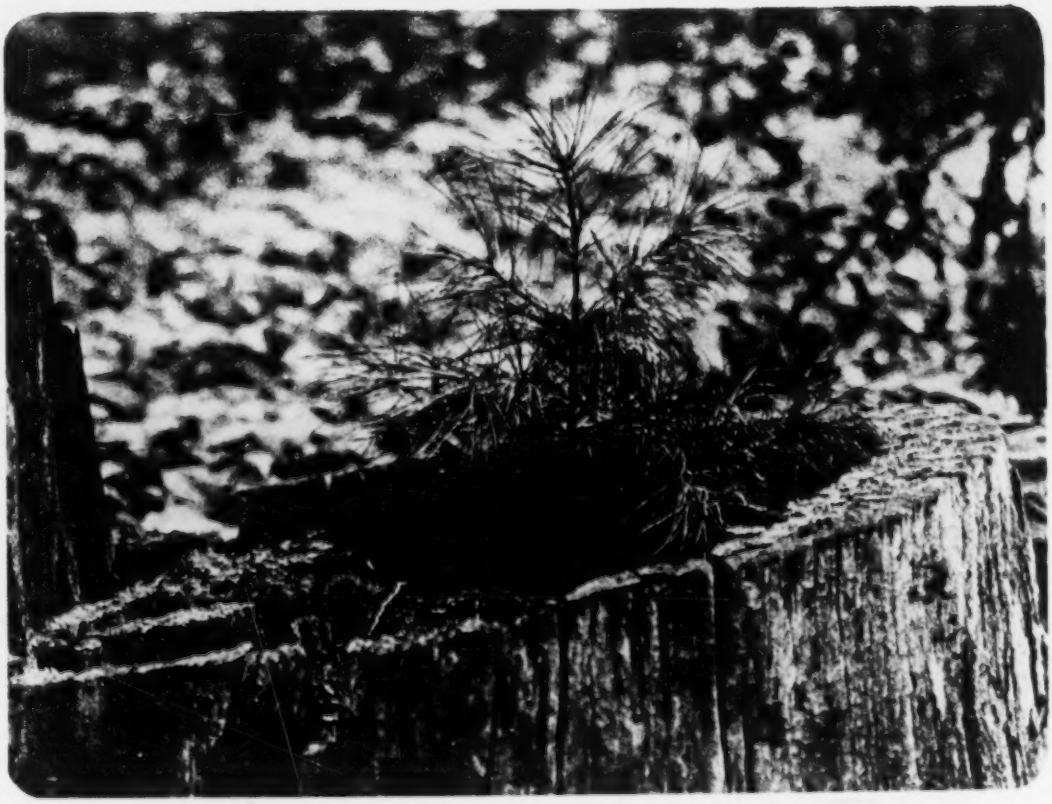
WISCONSIN ECONOMIC INDICATORS

SEPTEMBER 1988



DILHR
DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCE
L1	Composite Index of Leading Indicators	Wis.Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wis. Dept. of Industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wis. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wis. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
L8	Building Plans Examined	Wis. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wis. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wis. Department of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Securities Registrations	Wisconsin Commissioner of Securities
C7	Manufacturing Employment	Wis. Dept. of Industry, Labor and Human Relations
C8	Average Weekly Earnings, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wis. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wis. Department of Health and Social Services
X2	Death Regıstgrations	Wis. Department of Health and Social Services
X3	Natural Net Gain in Population	Wis. Department of Health and Social Services
X4	Marriage Registrations	Wis. Department of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wis. Dept. of Industry, Labor and Human Relations
X9	Unemployment Compensation Exhaustees	Wis. Dept. of Industry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the Census Method II Seasonal Adjustment Program. The adjusted data are plotted on arithmetic scales.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Standard Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading or coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically. The indicators are grouped by cyclical timing.

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WISCONSIN ECONOMIC INDICATORS

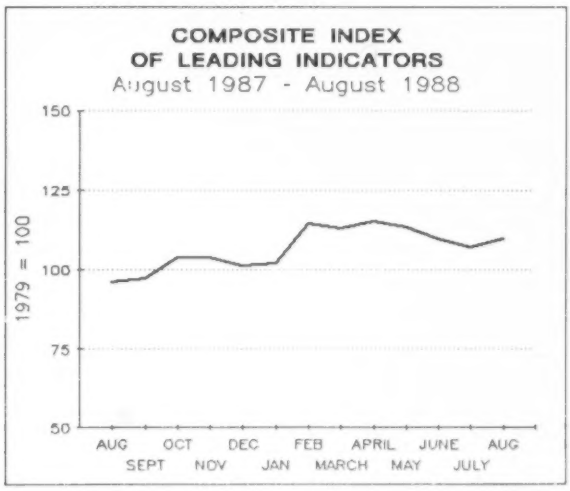
SUMMARY FOR AUGUST

COMPOSITE INDEX

The Composite Index of Wisconsin's leading economic indicators rose by 2.3 percentage points in August, ending three consecutive months of decline in the series.

Three months of decreases in the index is usually sufficient to indicate deteriorating economic conditions. However, the July index was revised upward due to late-reported boosts in overtime hours. That, coupled with this month's Index increase, short-circuited indicators of an economic decline.

Contributing most to August's increase were job openings received at state Job Service offices and the number of building plans examined by state safety and building officials.



LEADING INDICATORS

The average workweek in Wisconsin's manufacturing industries decreased by three-tenths of an hour in August, a month when a slight increase is normal.

While the average workweek decreased, the average number of overtime hours in manufacturing increased. An increase in overtime together with a decrease in the total workweek averages is possible if a large number of manufacturers who work only "straight time" decrease hours on the job.

The employment level in manufacturing increased by just over three thousand, but that was not enough to overcome the shortened workweek. Thus, the labor input into manufacturing slipped in August.

The average number of weekly initial claims for unemployment compensation decreased by nearly fifteen hundred, and that is a bit better than normal for this month. A decrease of about fourteen hundred in the weekly average would be normal.

Job Service offices throughout the state recorded a large growth in the number of job openings received. The calls for workers increased to over twelve thousand, the highest monthly level since August of 1984. This August's openings top the normal seasonal amount by about two thousand.

The number of new business incorporations increased by about a hundred in August, well above the seasonal pattern. July's number of incorporations was unusually low, so this month's increase may contain some spill-over from last month.

The net gain in business telephone primary access lines increased by about fifty percent in August. That is slightly less than normal for this month.

The number of commercial and industrial building plans examined by state officials increased by 74 in August. A normal trend would be a decrease of about sixty-four examinations.

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES			% CHANGE		AVG.
		Latest Month	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago	1987
LEADING INDICATORS							
L1 COMPOSITE INDEX OF LEADING INDICATORS							
Seasonally Adjusted	Index	AUG	109.3	107.0	95.8	2.1%	14.1%	97.9
L2 AVG. WORK WEEK, MFG.							
Unadjusted	Hours	AUG	41.3	41.6	41.4	-0.7%	-0.2%	41.4
Seasonally Adjusted			41.3	41.9	41.5	-1.4%	-0.5%	
L3 AVG. OVERTIME HOURS, MFG.							
Unadjusted	Hours	AUG	4.2	4.0	4.3	5.0%	-2.3%	3.9
Seasonally Adjusted			3.8	4.1	3.9	-7.3%	-2.6%	
L4 AVG. WEEKLY INITIAL CLAIMS							
Unadjusted	Number	AUG	5163	6658	5310	-22.5%	-2.8%	7601
Seasonally Adjusted			7365	7489	7571	-1.7%	-2.7%	
L5 TOTAL JOB OPENINGS RECEIVED							
Unadjusted	Number	AUG	12194	9556	9707	27.6%	25.6%	7774
Seasonally Adjusted			9579	8112	7627	18.1%	25.6%	
L6 NEW BUSINESS INCORPORATIONS							
Unadjusted	Number	AUG	587	488	450	20.3%	30.4%	546
Seasonally Adjusted			644	478	494	34.7%	30.4%	
L7 NET GAIN IN BUSINESS TELEPHONE ACCESS LINES							
Unadjusted	Number	AUG	2321	1514	1647	53.3%	240.9%	1921
Seasonally Adjusted			2396	2631	1449	-8.9%	65.4%	
L8 BUILDING PLANS EXAMINED							
Unadjusted	Number	AUG	774	700	684	10.6%	13.2%	622
Seasonally Adjusted			694	570	613	21.8%	13.2%	
COINCIDING INDICATORS							
C1 HELP-WANTED INDEX (MILW.)							
Seasonally Adjusted	Index	JULY	84	99	83	-15.2%	1.2%	78
C2 UNEMPLOYMENT RATE, TOTAL							
Unadjusted	Percent	AUG	3.7	4.2	5.2	.....	.....	6.1
Seasonally Adjusted			4.3	4.6	6.0	.....	.....	
C3 NATURAL GAS SALES							
Unadjusted	Mil.	JUNE	59.6	84.6	63.1	-29.6%	-5.5%	169.0
Seasonally Adjusted	Therms		133.6	140.5	141.4	-4.9%	-5.5%	
C4 NEW CAR REGISTRATIONS							
Unadjusted	Number	AUG	18,834	14,765	15,267	27.6%	23.4%	14,261
Seasonally Adjusted			18,389	12,804	14,905	43.6%	23.4%	
C5 ELECTRIC POWER SALES							
Unadjusted	Mil. KWH	JUNE	2543.6	2305.3	2188.7	10.3%	16.2%	2068.8
Seasonally Adjusted			2530.9	2340.4	2178.6	8.1%	16.2%	
C6 TOTAL SECURITIES REGISTRATIONS							
Unadjusted	Mil. Dol.	AUG	145.6	294.1	109.4	-50.5%	33.1%	120.4
Seasonally Adjusted			143.6	333.4	107.9	-56.9%	33.1%	

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES			% CHANGE		AVG.
		Latest Month	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago	1987
C7 MANUFACTURING EMPLOYMENT							
Unadjusted	Thous.	AUG	561.8	558.7	537.6	0.6%	4.5%	526.8
Seasonally Adjusted			546.5	549.4	522.7	-0.5%	4.6%	
C8 AVG. WEEKLY EARNINGS, MFG.							
Unadjusted	Dollars	AUG	$430.76	$440.13	$425.59	-2.1%	1.2%	$436.88
Seasonally Adjusted			$442.26	$446.38	$436.73	-0.9%	1.3%	
C9 CASH RECEIPTS FROM FARM MKTG.							
Unadjusted	Mil. Dol.	JUNE	397.5	388.2	385.8	2.4%	3.0%	433.1
Seasonally Adjusted			415.8	403.5	403.5	3.0%	3.0%	
C10 CONTRACT CONSTRUCTION EMPL.							
Unadjusted	Thous.	AUG	77.4	76.9	72.7	0.7%	6.5%	67.4
Seasonally Adjusted			67.8	68.1	63.7	-0.4%	6.4%	
OTHER KEY INDICATORS							
X1 BIRTH REGISTRATIONS							
Unadjusted	Number	AUG	6794	5919	5885	14.8%	15.4%	5892
Seasonally Adjusted			6733	5361	5834	25.6%	15.4%	
X2 DEATH REGISTRATIONS							
Unadjusted	Number	AUG	3740	3412	3460	9.6%	8.1%	3528
Seasonally Adjusted			4105	3453	3796	18.9%	8.1%	
X3 NATURAL NET GAIN POPULATION							
Unadjusted	Number	AUG	3054	2507	2425	21.8%	25.9%	2364
Seasonally Adjusted			2703	1996	2146	35.4%	26.0%	
X4 MARRIAGE REGISTRATIONS							
Unadjusted	Number	AUG	5157	4201	4748	22.8%	8.6%	3173
Seasonally Adjusted			3466	3091	3191	12.1%	8.6%	
X5 CONSUMER PRICE INDEX				(Dec '87)	(Jun '87)			
Unadjusted	Index	JUNE	353.7	349.2	340.0	1.3%	4.0%	344.6
X6 PRICES RECEIVED BY FARMERS							
Unadjusted	Index	AUG	134	130	135	3.1%	-0.7%	134
Seasonally Adjusted			135	133	136	1.5%	-0.7%	
X7 NET GAIN IN RESIDENTIAL TELEPHONE ACCESS LINES							
Unadjusted	Number	AUG	3522	2391	3508	47.3%	0.4%	1750
Seasonally Adjusted			2258	2190	1462	3.1%	54.4%	
X8 LABOR DISPUTES, NO. OF WORKERS							
Unadjusted	Number	AUG	111	41	252	170.7%	-56.0%	538
Seasonally Adjusted			37	26	85	42.3%	-56.5%	
X9 UNEMPLOYMENT COMPENSATION EXHAUSTEES							
Unadjusted	Number	AUG	13,683	15,054	17,291	-9.1%	-20.9%	18560
Seasonally Adjusted			13,259	14,082	16,758	-5.8%	-20.9%	

Section B

LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES AUGUST	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
Unadjusted					
CIVILIAN LABOR FORCE	2585.4	2589.1	2504.5	-0.1%	3.2%
Employment (incl. Labor Disputes)	2490.7	2480.4	2375.4	0.4%	4.9%
Unemployment	94.8	108.7	129.2	-12.8%	-26.6%
Unemployment Rate	3.7	4.2	5.2	.....	.....
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2555.9	2556.5	2481.6	-0.0%	3.0%
Employment (incl. Labor Disputes)	2446.7	2438.9	2332.7	0.3%	4.9%
Unemployment	109.2	117.5	148.9	-7.1%	-26.7%
Unemployment Rate	4.3	4.6	6.0	.....	.....

WISCONSIN EMPLOYMENT ESTIMATES AUGUST	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
Unadjusted					
TOTAL NONFARM WAGE AND SALARY WORKERS	2165.5	2160.7	2097.3	0.2%	3.3%
Manufacturing	561.7	558.7	537.5	0.5%	4.5%
Mining	2.5	2.6	2.4	-3.8%	4.2%
Contract Construction	77.4	76.9	72.7	0.7%	6.5%
Transportation and Public Utilities	95.7	95.4	92.2	0.3%	3.8%
Electric, Gas and Sanitary Services	17.7	17.7	18.0	0.0%	-1.7%
Wholesale Trade	112.0	112.6	107.6	-0.5%	4.1%
Retail Trade	415.3	410.9	400.4	1.1%	3.7%
General Merchandise	49.0	48.7	47.9	0.6%	2.3%
Finance, Insurance and Real Estate	115.8	115.8	114.2	0.0%	1.4%
Banking	28.4	28.4	28.1	0.0%	1.1%
Insurance	38.8	38.8	38.2	0.0%	1.6%
Service and Miscellaneous	477.3	476.3	465.3	0.2%	2.6%
Hospitals	71.8	71.8	69.2	0.0%	3.8%
Private Education	22.9	23.0	22.3	-0.4%	2.7%
Government	307.8	311.5	305.0	-1.2%	0.9%
State Government	78.1	77.4	76.2	0.9%	2.5%
Local Government	200.7	205.0	200.1	-2.1%	0.3%

UNITED STATES LABOR FORCE ESTIMATES AUGUST	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	122,031	121,684	120,306	0.3%	1.4%
Employment (incl. Labor Disputes)	115,180	115,059	113,050	0.1%	1.9%
Unemployment	6,851	6,625	7,256	3.4%	-5.6%
Unemployment Rate	5.6%	5.4%	6.0%	.....	.....

WISCONSIN ECONOMIC INDICATORS

MANUFACTURING EMPLOYMENT Unadjusted AUGUST	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
All Manufacturing (Incl. Canning)	561.7	558.7	537.5	0.5%	4.5%
All Manufadturing (Excl. Canning)	543.2	544.1	516.7	-0.2%	5.1%
Durable Goods	341.7	341.3	319.9	0.1%	6.8%
Lumber and Wood Products (Excl. Furniture)	29.5	29.2	27.6	1.0%	6.9%
Furniture and Fixtures	11.8	11.7	10.8	0.9%	9.3%
Stone, Clay, and Glass Products	10.2	10.1	9.8	1.0%	4.1%
Primary Metal Industries	22.4	22.3	19.8	0.4%	13.1%
Iron and Steel Foundries	11.7	11.5	10.0	1.7%	17.0%
Fabricated Metal Products	57.8	57.8	53.9	0.0%	7.2%
Fabricated Structural Metal Products	14.4	14.3	13.1	0.7%	9.9%
Metal Stampings	11.5	11.5	10.9	0.0%	5.5%
Machinery (Excl. Electrical)	110.3	109.2	101.3	1.0%	8.9%
Engines and Turbines	20.1	19.7	18.7	2.0%	7.5%
Farm Machinery and Equipment	13.3	13.4	11.7	-0.7%	13.7%
Constr.,Mining, Material Handling Machinery	11.2	11.0	10.3	1.8%	8.7%
Metalworking Machinery and Equipment	11.8	11.8	11.5	0.0%	2.6%
Special Ind. Mach., Excl. Metalworking	14.5	14.3	13.1	1.4%	10.7%
Gen. Industrial Mach. and Equip.	15.6	15.4	14.1	1.3%	10.6%
Electrical Machinery, Equip. and Supplies	47.8	47.5	46.6	0.6%	2.6%
Electrical Industrial Apparatus	15.5	15.5	15.0	0.0%	3.3%
Transportation Equipment	29.2	31.1	28.7	-6.1%	1.7%
Motor Vehicles and Equipment	23.0	24.9	21.8	-7.6%	5.5%
Instrument and Related Products	12.4	12.4	11.9	0.0%	4.2%
Miscellaneous Manufacturing	10.3	10.0	9.6	3.0%	7.3%
Nondurable Goods	220.0	217.4	217.5	1.2%	1.1%
Food and Kindred Products	70.7	67.4	72.4	4.9%	-2.3%
Meat Products	15.3	15.3	15.2	0.0%	0.7%
Dairy Products	18.4	18.3	17.7	0.5%	4.0%
Canning and Preserving	18.3	14.9	20.8	22.8%	-12.0%
Bakery Products	4.4	4.4	4.4	0.0%	0.0%
Beverage Industries	7.5	7.5	7.3	0.0%	2.7%
Textile Mill Products	5.0	4.9	4.8	2.0%	4.2%
Apparel and Other Finished Products	6.9	7.1	6.7	-2.8%	3.0%
Paper and Allied Products	49.7	50.0	48.8	-0.6%	1.8%
Pulp and Paper Mills	30.2	30.4	30.0	-0.7%	0.7%
Printing, Publishing and Allied Products	44.6	44.9	42.0	-0.7%	6.2%
Chemicals and Allied Products	10.6	10.6	10.6	0.0%	0.0%
Rubber and Misc. Plastics Products	25.4	25.2	25.0	0.8%	1.6%
Miscellaneous Plastics Products	21.3	21.2	20.9	0.5%	1.9%
Leather and Leather Products	6.9	7.1	6.8	-2.8%	1.5%

Section C

WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS Unadjusted AUGUST	Average Weekly Earnings			Average Weekly Hours		
	Latest Mo.	Mo. Ago	Yr. Ago	Latest Mo.	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$430.76	$440.13	$425.59	41.3	41.6	41.4
All Manufacturing (Excl. Canning)	435.25	446.01	432.60	41.1	41.8	41.2
Durable Goods	436.07	451.73	434.89	41.1	42.1	41.3
Lumber and Wood Products (Excl. Furniture)	317.60	333.18	323.99	39.8	41.7	40.6
Furniture and Fixtures	361.62	357.85	341.12	44.1	42.5	42.8
Stone, Clay, and Glass Products	433.80	454.49	451.55	45.0	47.0	46.6
Primary Metal Industries	443.70	447.49	449.07	43.5	43.7	44.2
Iron and Steel Foundries	452.90	456.86	461.72	45.2	45.1	45.4
Fabricated Metal Products	416.75	417.36	419.63	41.1	41.2	40.9
Fabricated Structural Metal Products	428.26	421.83	424.89	43.7	43.0	43.4
Metal Stampings	455.92	453.40	448.63	41.0	40.7	40.2
Machinery (Excl. Electrical)	476.27	516.10	481.54	41.2	43.7	41.8
Engines and Turbines	478.88	592.28	523.58	37.5	44.7	40.4
Farm Machinery and Equipment	512.44	649.20	481.52	41.9	50.6	40.6
Constr.,Mining, Material Handling Machinery	503.58	516.65	475.58	43.6	44.5	43.0
Metalworking Machinery and Equipment	533.14	540.05	518.60	43.7	43.8	42.3
Special Ind. Mach., Excl. Metalworking	507.79	501.98	496.65	43.7	43.2	43.0
Gen. Industrial Mach. and Equip.	455.67	439.24	477.15	41.2	39.5	41.6
Electrical Machinery, Equip. and Supplies	410.40	409.82	415.34	40.0	40.1	40.6
Electrical Industrial Apparatus	441.72	452.69	450.85	40.9	41.8	41.4
Transportation Equipment	584.54	589.59	541.02	39.9	40.3	38.1
Instrument and Related Products	384.19	383.22	382.89	41.4	41.7	41.8
Nondurable Goods	422.24	421.46	411.68	41.6	40.8	41.5
Food and Kindred Products	386.13	386.22	357.28	42.2	40.4	41.4
Meat Products	338.07	375.90	359.90	38.2	42.0	41.8
Dairy Products	402.75	405.55	393.20	40.6	40.8	40.0
Textile Mill Products	278.24	287.58	298.91	40.5	41.2	42.1
Apparel and Other Finished Products	260.41	270.52	250.10	39.1	39.9	39.2
Paper and Allied Products	581.85	586.64	571.42	45.0	45.3	45.1
Pulp and Paper Mills	632.50	640.33	612.43	45.8	46.3	45.5
Printing, Publishing and Allied Products	421.06	405.89	441.78	38.7	37.0	39.2
Chemicals and Allied Products	396.13	402.33	405.11	38.2	38.5	37.2
Rubber and Misc. Plastics Products	346.80	335.07	331.17	40.8	39.7	39.9
Leather and Leather Products	240.46	250.14	261.88	36.6	37.9	39.8

WISCONSIN ECONOMIC INDICATORS

AVERAGE HOURLY EARNINGS Unadjusted AUGUST	Including Overtime			Excluding Overtime		
	Latest Mo.	Mo. Ago	Yr. Ago	Latest Mo.	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$10.43	$10.58	$10.28	$9.92	$10.09	$9.83
All Manufacturing (Excl. Canning)	10.59	10.67	10.50	10.11	10.18	10.02
Durable Goods	10.61	10.73	10.53	10.14	10.26	10.11
Lumber and Wood Products (Excl. Furniture)	7.98	7.99	7.98	7.72	7.66	7.87
Furniture and Fixtures	8.20	8.42	7.97	7.87	8.08	7.90
Stone, Clay, and Glass Products	9.64	9.67	9.69	9.00	8.97	9.25
Primary Metal Industries	10.20	10.24	10.16	9.58	9.70	9.64
Iron and Steel Foundries	10.02	10.13	10.17	9.37	9.51	9.62
Fabricated Metal Products	10.14	10.13	10.26	9.75	9.70	9.81
Fabricated Structural Metal Products	9.80	9.81	9.79	9.28	9.30	9.29
Metal Stampings	11.12	11.14	11.16	10.66	10.64	10.77
Machinery (Excl. Electrical)	11.56	11.81	11.52	11.03	11.38	11.06
Engines and Turbines	12.77	13.25	12.96	12.20	12.98	12.41
Farm Machinery and Equipment	12.23	12.83	11.86	11.78	12.48	11.46
Constr.,Mining, Material Handling Machinery	11.55	11.61	11.06	11.08	11.08	10.58
Metalworking Machinery and Equipment	12.20	12.33	12.26	11.56	11.75	11.86
Special Ind. Mach., Excl. Metalworking	11.62	11.62	11.55	11.05	11.05	11.00
Gen. Industrial Mach. and Equip.	11.06	11.12	11.47	10.54	10.70	10.97
Electrical Machinery, Equip. and Supplies	10.26	10.22	10.23	9.86	9.82	9.80
Electrical Industrial Apparatus	10.80	10.83	10.89	10.34	10.36	10.52
Transportation Equipment	14.65	14.63	14.20	13.86	13.79	13.47
Instrument and Related Products	9.28	9.19	9.16	8.97	8.84	8.78
Nondurable Goods	10.15	10.33	9.92	9.59	9.80	9.42
Food and Kindred Products	9.15	9.56	8.63	8.50	8.99	8.28
Meat Products	8.85	8.95	8.61	8.54	8.41	8.29
Dairy Products	9.92	9.94	9.83	9.39	9.42	9.33
Textile Mill Products	6.87	6.98	7.10	6.64	6.73	6.76
Apparel and Other Finished Products	6.66	6.78	6.38	6.43	6.51	6.19
Paper and Allied Products	12.93	12.95	12.67	12.20	12.21	11.90
Pulp and Paper Mills	13.81	13.83	13.46	13.00	12.98	12.59
Printing, Publishing and Allied Products	10.88	10.97	11.27	N.A.	N.A.	N.A.
Chemicals and Allied Products	10.37	10.45	10.89	9.98	10.10	10.59
Rubber and Misc. Plastics Products	8.50	8.44	8.30	8.19	8.08	8.00
Leather and Leather Products	6.57	6.60	6.58	6.43	6.49	6.35

Section C

SUMMARY OF RECENT WISCONSIN DATA

EARNINGS AND HOURS, MFG. Production Workers (Unadjusted) AUGUST	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS				
							INCL. OVERTIME			EXCL. OVERTIME	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago
United States	$412.49	$413.51	$403.27	40.8	40.7	40.9	$10.11	$10.16	$9.86	.....	.....
Wisconsin	430.76	440.13	425.59	41.3	41.6	41.4	10.43	10.58	10.28	9.92	10.09
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	466.89	475.76	453.48	42.1	42.9	42.5	11.09	11.09	10.67	10.56	10.57
Beloit (City)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Eau Claire (Eau Claire-Chippewa)	433.46	431.66	446.42	40.7	40.8	41.8	10.65	10.58	10.68	9.96	9.84
Fond du Lac (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Green Bay (Brown County)	476.62	485.35	457.13	42.9	42.5	41.9	11.11	11.42	10.91	10.48	10.76
Janesville (City)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Janesville-Beloit (Rock Co.)	493.52	496.90	388.11	39.8	40.3	33.2	12.40	12.33	11.69	11.63	11.54
Kenosha (County)	483.94	478.08	474.85	39.7	38.9	40.9	12.19	12.29	11.61	11.76	11.87
La Crosse (County)	352.24	355.11	358.89	39.4	39.5	39.7	8.94	8.99	9.04	8.69	8.72
Madison (Dane County)	413.69	427.38	392.09	41.0	41.9	41.1	10.09	10.20	9.54	9.65	9.68
Manitowoc (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Milwaukee (Milwaukee-Ozaukee-Washington-Waukesha)	471.17	484.22	478.67	40.9	41.6	41.3	11.52	11.64	11.59	10.97	11.10
Racine (County)	417.88	462.97	431.88	38.8	41.3	40.1	10.77	11.21	10.77	10.29	10.82
Sheboygan (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Wausau (Marathon County)	414.66	426.72	422.45	41.8	42.8	42.5	9.92	9.97	9.94	9.43	9.43

INA - Information Not Available due to budget reductions

MANUFACTURING EMPLOYMENT Unadjusted AUGUST	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
United States	19668.0	19500.0	19198.0	0.9%	2.4%
Wisconsin	561.7	558.7	537.5	0.5%	4.5%
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	55.1	54.4	51.9	1.3%	6.2%
Beloit (City)	INA	INA	INA		
Eau Claire (Eau Claire-Chippewa)	11.0	11.0	10.3	0.0%	6.8%
Fond du Lac (County)	INA	INA	INA		
Green Bay (Brown County)	26.8	26.4	26.3	1.5%	1.9%
Janesville (City)	INA	INA	INA		
Janesville-Beloit (Rock County)	18.0	17.7	16.7	1.7%	7.8%
Kenosha (County)	12.2	14.5	10.9	-15.9%	11.9%
La Crosse (County)	11.4	11.3	10.9	0.9%	4.6%
Madison (Dane County)	23.9	23.8	23.1	0.4%	3.5%
Manitowoc (County)	INA	INA	INA		
Milwaukee (Milwaukee-Ozaukee-Washington-Waukesha)	175.1	174.9	168.5	0.1%	3.9%
Racine (County)	24.8	24.8	23.5	0.0%	5.5%
Sheboygan (County)	INA	INA	INA		
Wausau (Marathon County)	14.5	14.3	13.3	1.4%	9.0%

WISCONSIN'S ECONOMIC OUTLOOK

by David H. Peterson and Gene Schubert
Department of Revenue

The annual revisions to the national income and product accounts which were released July 27, contained good news about the U.S. economy which has performed better than previously thought. Real gross national product grew more rapidly during the 1985 to 1987 period. Recent revisions indicate that real GNP was 0.3 percent higher in 1985, 0.2 percent higher in 1986 and 0.7 percent higher in 1987 than previous estimates. Moreover, the increase in output, as measured by real GNP is independent of increases in labor and capital inputs, and therefore implies that productivity increases are also occurring faster than previously thought. Since increases in productivity form the basis for higher living standards, the revisions imply the best kind of economic news.

The new data have also led to a revision of the rate of growth of "potential GNP" (which means the economy's ability to produce goods and services when labor and capital are fully employed) which has been increased from 2.1 percent to 2.4 percent. This is the rate of growth which the economy can sustain at full employment.

Economists use the term "full employment" to indicate the highest level of resource utilization consistent with the smoothly operating economy and stable inflation. If the economy attempts to exceed "full employment," shortages develop and inflation accelerates.

Unfortunately, the economy may be trying to do just that. Most of the output added to GNP by the revisions occurred during the most recent quarters, indicating that the economy may be growing too fast and be in danger of "overheating" and reigniting inflation. During the four quarters of 1987, the economy grew at an average rate of 5.0% which is considerably higher than the 2.4% rate which the economy can sustain at full employment. These danger signs have not escaped the attention of the Federal Reserve Board which has been nudging up interest rates in recent months and recently announced an increase from 6.0% to 6.5% in the symbolically important discount rate.

The rapid growth of the economy in recent quarters sets the stage for a mildly cyclical path for the economy. The boom in exports, which has been prompted by the decline in the dollar, is the major impetus for the current rapid growth and shows no sign of weakening soon. While the improvement in net exports is desirable given the still large U.S. trade deficit, the improvement appears to be putting excessive pressure on the productive capacity of the U.S. economy.

In order to forestall an acceleration in the rate of inflation, the Federal Reserve will be forced to allow interest rates to continue to rise for the remainder of this year and into 1989. Both long and short term interest rates are expected to increase by more than 1 percent from current levels. These increases in interest rates will in turn dampen the demand for housing and consumer durable goods enough to "cool" the economy in 1989 and 1990. The rate of growth in real GNP is expected to decline from the rapid growth of 5% during the four quarters of 1987 to 2.9% in 1988, 2.4% in 1990 and 3.0% in 1991.

The forecast assumes that the Federal Reserve is successful in fine-tuning the economy and is able to avoid both accelerating inflation and a recession.

The major risk to the current forecast is that the Federal Reserve will either tighten monetary policy too much and force the economy into a recession in 1989 or 1990, or tighten too little and allow the economy to continue to grow at the very rapid rates of recent quarters which would lead to a resurgence of inflation which would be paid for in a later downturn. Although the Federal Reserve has been successful in fine-tuning the economy in recent years, the current situation of managing a rapidly growing economy of full employment is a particularly difficult challenge.

Although recent monthly data show price increases at the producer and consumer level are already increasing at a 5 percent rate, the average 1988 inflation rate should be slightly below this level. The forecast calls for a mild acceleration of inflation to about 5 percent. Much of the recent upward pressure on the price level reflects the lagged effects of the decline in the dollar which is now being felt in the form of price increases for imported goods, and reduced price competition for domestic producers. Additional pressure comes from commodities that are in relatively short supply such as aluminum, steel and paper, the prices of which have increased at double digit rates over the last year.

Fortunately the economy has not reached the point of a full scale "wage-price spiral." Average hourly wages are likely to increase only 3.3% this year. However, tightness in the labor market should cause wage increases to accelerate to 4.3% in 1989, 5.0% in 1990 and 5.5% in 1991. By the time wage increases catch up with price increases in 1990, the slower growth of the economy will be reducing inflationary pressures.

The risk of higher inflation during the forecast period clearly exists. However the Federal Reserve appears committed to keeping the lid on inflation. This could prove to be a difficult task force since tightening monetary policy brings with it the risk of recession. The task is further complicated by the impact of changes in monetary policy on the federal budget deficit.

WISCONSIN OUTLOOK

Economic growth in Wisconsin is continuing as the state enjoys the fruits of a lower and stable dollar exchange rate. Employment in manufacturing is expected to reach a level of 553,000 in the final quarter of this year. Employment gains in manufacturing this year will be 22,200, a rise of 4.2 percent. This follows a 2.3 percent gain in 1987.

Personal income growth in Wisconsin should also post a gain of 6.0% this year, an addition of $4.26 billion over 1987, despite the drop in farm income due to drought conditions. Wage increases continue to be modest and will hold down the growth of personal income below that suggested by the growth of employment.

Second quarter employment data indicate that Wisconsin businesses have paused briefly in their pace of job expansion. Total non-farm employment grew by only 0.6% at an annual rate after growing by 4.3% and 6.9% in the previous two quarters.

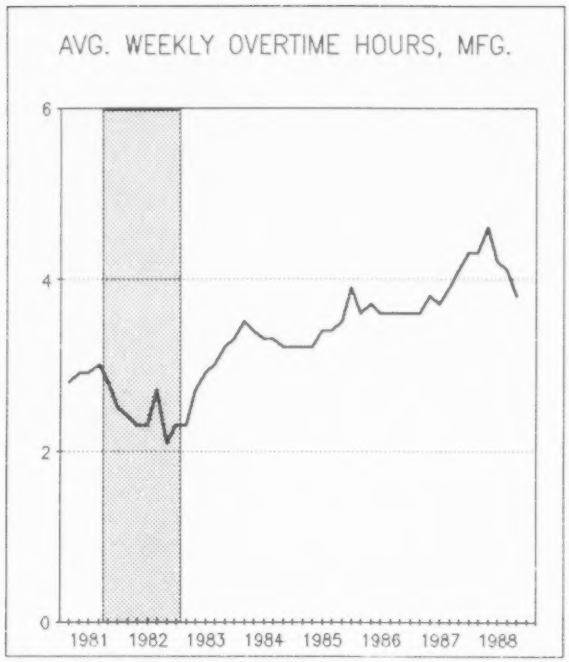
With the exception of Government, all industries experienced a reduction in the rate of job growth after two or three quarters of sizable gains. The evidence from Wisconsin personal income data for 1988:1 shows a similar pattern, but is exaggerated by the quarterly volatility in farm income. Since the economy is not yet in a sustained boom, the recent evidence suggests that hiring practices are still somewhat cautious and that employment growth in the near future will continue to be subject to short growth spurts followed by shallow dips.

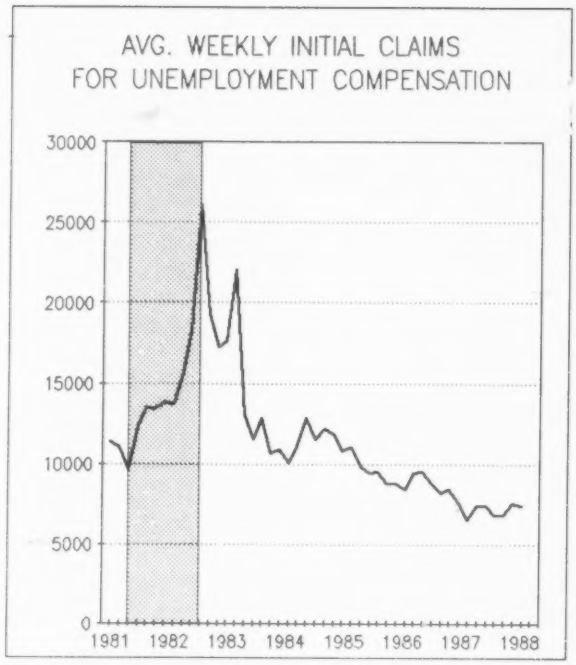
(Continued on back cover)

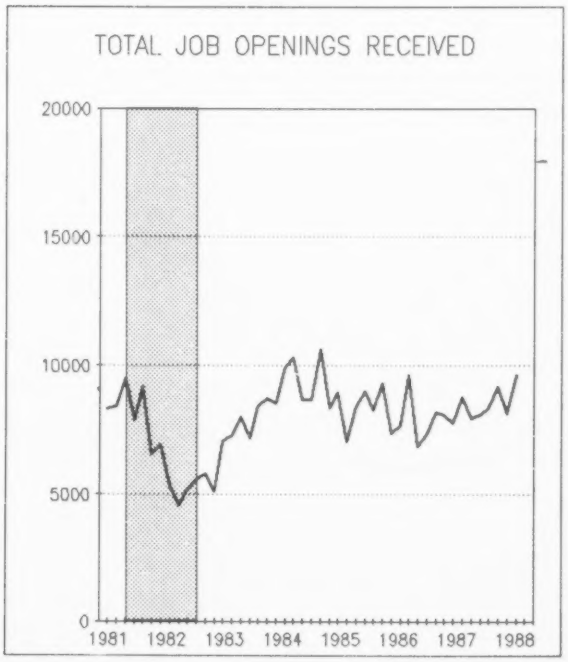
WISCONSIN EMPLOYMENT FORECAST
(Thousands of Workers, Annual Average)

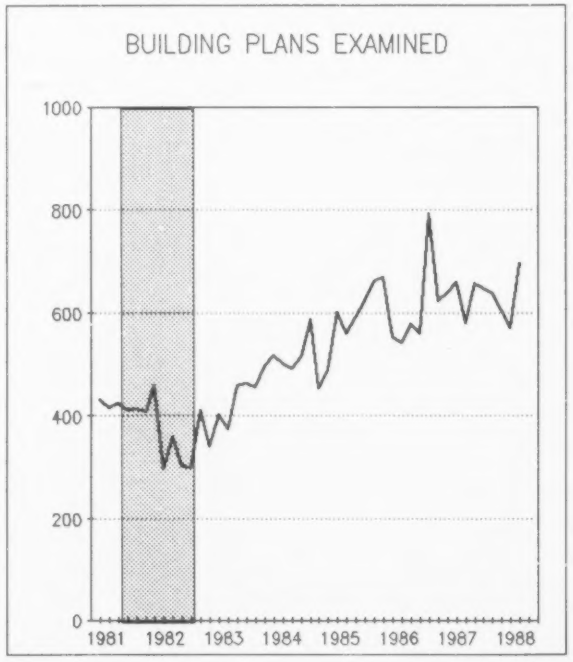
	1987	1988	1989	1990	1991
MANUFACTURING	526.4	548.6	549.9	550.5	559.7
DURABLES	321.7	337.6	338.3	339.1	345.8
LUMBER PRODUCTS	26.4	27.7	28.1	28.3	28.7
STONE, CLAY, GLASS	9.0	9.5	9.4	9.3	9.5
PRIMARY METALS	19.9	21.6	21.6	21.4	22.1
FABRICATED METALS	53.4	56.2	57.0	57.2	58.4
NON-ELECT. MACHINERY	102.0	109.3	112.0	112.5	115.6
ELECTRICAL MACHINERY	46.6	47.7	48.6	49.4	50.6
TRANS. EQUIPMENT	32.7	32.4	28.3	28.5	28.5
OTHER DURABLES	31.8	33.4	33.4	32.5	32.6
NONDURABLES	204.6	211.0	211.5	211.5	214
FOOD PRODUCTS	61.8	62.9	61.9	61.0	60.4
PAPER PRODUCTS	48.2	48.5	48.6	48.3	48.8
PRINTING & PUBLISHING	41.4	44.2	44.8	45.5	46.8
CHEMICALS	10.3	10.5	10.9	11.0	11
RUBBER & PLASTICS	24.8	25.7	26.0	26.5	27.9
OTHER NONDURABLES	18.2	19.2	19.4	19.1	19
MINING	2.0	2.2	2.2	2.2	2.2
CONSTRUCTION	67.4	72.5	70.8	70.0	70.3
TRANS., COMM., UTILITIES	94.1	96.8	98.2	99.0	100.7
FINANCE, INSUR., REAL EST.	112.3	114.2	115.9	117.9	120.8
TRADE	495.2	513.9	522.9	530.4	539.7
SERVICES	454.9	470.7	488.4	506.1	527.3
GOVERNMENT	327.3	329.8	332.2	334.6	335.1
TOTAL EMPLOYMENT (Nonfarm)	2079.7	2148.8	2180.5	2210.7	2255.8

D CYCLICAL INDICATORS









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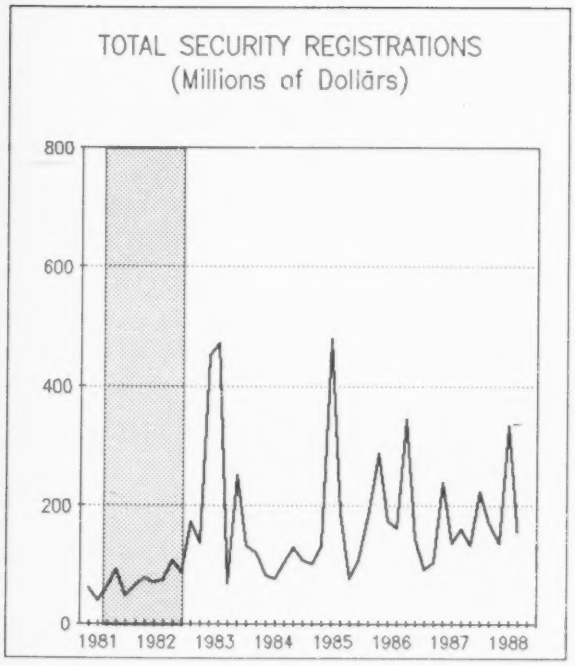

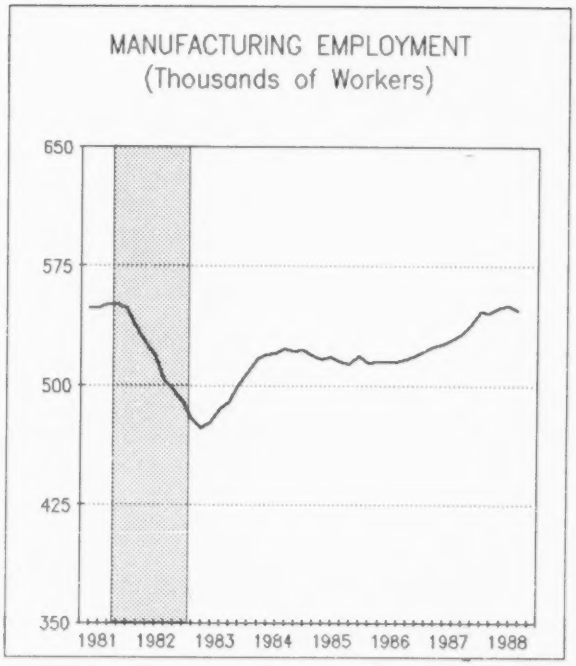

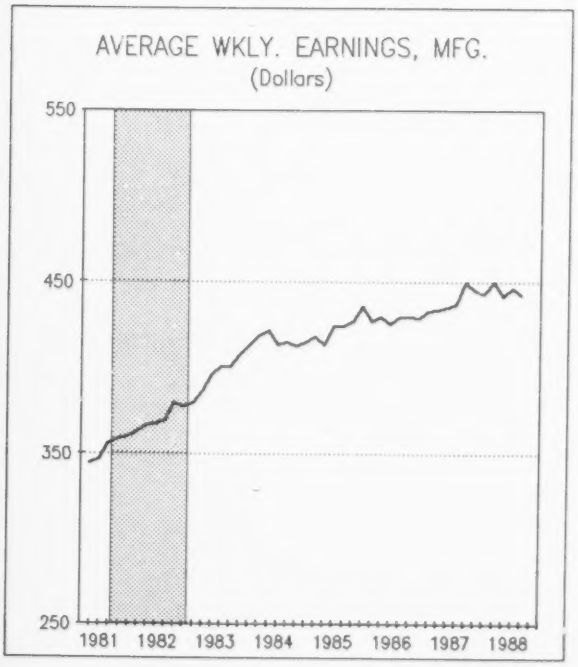

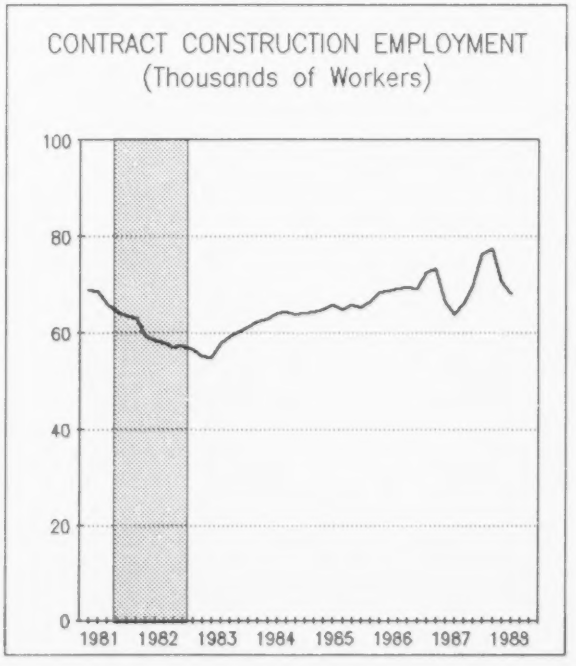

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(Continued from page 10)

With interest rates rising in response to financial market concerns about an overheated economy and renewed inflation, the Wisconsin economy's recent strong growth will likely settle into a more sustainable pace in the near future. After two years of employment growth above 2 percent, we can now expect two years of employment growth at 1.5 percent. However, since the Wisconsin population most likely to be in the labor force is growing at less than 1 percent, employment growth will be sufficient to keep downward pressure on the unemployment rate.

The slow-down in growth will have a more pronounced effect on manufacturing employment. Manufacturing employment growth is expected to show gains of only 0.2% in both 1989 and 1990 before bouncing back to 1.7% in 1991. Given the weak manufacturing employment outlook, there will be some quarters showing declines in manufacturing employment, perhaps in the final quarter of next year or the first quarter of 1990.

Construction and mining employment is also expected to be flat to negative because of the weaker outlook for construction outlays. Housing permits in Wisconsin are expected to be down 7.1% this year and off by 4.9% in 1989 before increasing by 2.9% and 6.4% in 1990 and 1991, respectively.

Some of the service-producing sectors, notably finance, insurance and real estate, trade, and services, will likely report slower employment growth this year and for the following two years. These sectors are responsive primarily to consumer spending which has slackened noticeably from the pace of 1985-87. However, services will remain the sector which produces the fastest employment growth, even in the face of a much slower economy.